

FIND YOUR PATH TO HEALTH COVERAGE.



The Small Business Connection to Health Care
→ www.hip.hca.wa.gov

SIGN UP FOR HIP. IT'S SMART BUSINESS.

Small businesses that want to offer health insurance in Washington State face a big hurdle: the expense. With the cost for health coverage increasing faster than most profit margins, small employers in the state have struggled to provide the benefits they need to keep their employees healthy and productive.

Now with HIP there's a solution—a way for you to reap the rewards of health coverage for employees without breaking the bank.

Top 3 Reasons to Offer Employees Health Coverage

- 1. HEALTHY WORKFORCE** / Improve the chances that employees will receive the care they need to keep them healthy
- 2. PRODUCTIVITY** / Healthy employees are more productive
- 3. PROFITABILITY** / Reduce employee turnover and training costs

Access to Affordable Health Insurance

Washington's Health Insurance Partnership, or HIP, provides Washington small employers with access to the same health insurance coverage available in the small group health insurance market, but at a significant savings. With HIP, the employer contribution rate is only 40% of the cost of coverage compared to the standard 75% in the small group market. To help employees pay for their share of the coverage, HIP also offers a premium subsidy (up to 90%) to eligible employees, based on their family income.

Subsidy Dollars Available Now

For 2011, HIP has approximately \$2 million in subsidies ready and waiting for employees. More subsidy funding is expected over the next three years. Subsidies are given on a first-come, first-served basis, so sign up for HIP quickly.

Verify Subsidies Online

To see if subsidies are still available or to estimate a subsidy amount based on an employee's family income, go to www.hip.hca.wa.gov

Is HIP Right For Your Business?

Use this quick checklist to see if your company is eligible to participate in HIP. If you answer "YES" to these three questions, HIP may be a good option:

1
My company has 1-50 employees

2
My company does not currently offer health insurance coverage to employees

3
In my company at least 50% of the employees are low-wage
[To be considered low wage, an employee's monthly wages cannot exceed 200% of the Federal Poverty Level (FPL). See the chart on next page.]

If you meet the basic qualifications to enroll in HIP you will need to work with an insurance broker to apply. There are some basic requirements for any employers' participation in HIP:

- You must meet the health insurance carrier's eligibility requirements for coverage.
- You must choose a health benefit plan offered through HIP and establish a "Section 125 Premium Only Plan."
- At least 75% of your eligible employees must purchase the health insurance coverage.
- You must contribute at least 40% toward your employees' premiums. You are not required to make a contribution toward spouse or dependent coverage.

What is a Section 125 Premium Only Plan?

This plan allows you to deduct payments for health insurance premiums from employees' pay on a pre-tax basis, lowering both the employees' taxable income and the employer's payroll tax obligation. HIP offers a guide to help you establish a plan.

Subsidies To Help Your Employees Pay For Their Portion

Employees may be eligible to have a portion of their monthly health insurance premiums subsidized if they meet these requirements:

- Employee is a Washington State resident
- Employee's gross family income is at or below 200% of the Federal Poverty Level

The amount of subsidy an employee receives is dependent on the gross family income and the number of people in a family. Subsidies are awarded on a first-come, first-served basis to qualified employees.

Estimate Your Subsidy

You can go online www.hip.hca.wa.gov and estimate the possible subsidy by simply typing in a yearly income.

This table shows how to determine what percent of the employee's share (after employer contribution) of the monthly premium will be paid by the subsidy.

Gross Monthly Income									Subsidy %
Number of people in the family	1	2	3	4	5	6	7	8	
Income Band									
A	\$ 0 - \$ 911.43	\$ 0 - \$ 1,226.18	\$ 0 - \$ 1,540.93	\$ 0 - \$ 1,855.69	\$ 0 - \$ 2,170.44	\$ 0 - \$ 2,485.19	\$ 0 - \$ 2,799.94	\$ 0 - \$ 3,114.69	90%
B	\$ 911.44 - \$ 1,362.68	\$ 1,226.19 - \$ 1,833.27	\$ 1,540.94 - \$ 2,303.85	\$ 1,855.70 - \$ 2,774.44	\$ 2,170.45 - \$ 3,245.02	\$ 2,485.20 - \$ 3,715.61	\$ 2,799.95 - \$ 4,186.19	\$ 3,114.70 - \$ 4,656.78	80%
C	\$ 1,362.69 - \$ 1,588.30	\$ 1,833.28 - \$ 2,136.81	\$ 2,303.86 - \$ 2,685.31	\$ 2,774.45 - \$ 3,233.81	\$ 3,245.03 - \$ 3,782.31	\$ 3,715.62 - \$ 4,330.82	\$ 4,186.20 - \$ 4,879.32	\$ 4,656.79 - \$ 5,427.82	70%
D	\$ 1,588.31 - \$ 1,805.00	\$ 2,136.82 - \$ 2,428.33	\$ 2,685.32 - \$ 3,051.66	\$ 3,233.82 - \$ 3,675.00	\$ 3,782.32 - \$ 4,298.33	\$ 4,330.83 - \$ 4,921.66	\$ 4,879.33 - \$ 5,545.00	\$ 5,427.83 - \$ 6,168.33	60%

Employees with families with nine or more people should contact HIP to determine subsidy.

THE PATH TO HEALTH CARE COVERAGE STARTS BY GOING ONLINE TO WWW.HIP.HCA.WA.GOV OR CONTACTING YOUR INSURANCE BROKER.

The application and quote process for HIP is a bit different than the standard avenues of purchasing health coverage. An insurance broker can help you move through the process and complete all the steps along the way.

Here's an overview of the process:

- 1. PREQUALIFY /** If you think you meet the requirements for HIP (see "Is HIP Right for Your Business?"), you can verify eligibility and check subsidy availability by submitting a HIP employer agreement form online at www.hip.hca.wa.gov. Or you can work with your broker to do this on your behalf.
- 2. APPLY /** Your employees can then submit employee subsidy applications online at www.hip.hca.wa.gov. Or your broker can work with your employees to do this on your behalf. Next, you will work with your broker to choose a health plan carrier and product. Your broker will obtain a quote from the carrier, and if you choose to purchase coverage, your broker will submit the application to HIP.
- 3. ENROLL /** You will be notified of coverage by HIP, and covered employees will receive their ID cards, welcome documents, etc. from the health insurance carrier. When you receive your premium bill, you will send payment to HIP, including employee amounts deducted from paychecks.

Health Plan Options & Costs

Washington's Health Insurance Partnership offers quality health benefit plans selected from those already available in the small group market. You can choose from a variety of plans from many different health insurance carriers that range from low-cost, high-deductible plans to comprehensive coverage.

Plans range in price, but regardless of the cost of the plan, your business will be required to pay at least 40% of your participating employees' monthly premiums. The employee pays the rest, unless they qualify for a state subsidy to help pay their portion (as much as 90%) of their monthly health insurance premium.

When you enroll in HIP, you will select a health plan that best meets the needs of your group, and all your participating employees will enroll in the same plan. You can set the criteria for employee participation in the plan—such as how many hours per week employees must work and how long they must have worked for your business to be eligible.

Plan Details

For summaries of the available plans, contact your broker or go to www.hip.hca.wa.gov



HIP is a state-sponsored program administered by the Health Care Authority (HCA). The HCA also administers Basic Health; Washington Health; health care coverage for more than 300,000 state employees, retirees, and their families; and the free Prescription Drug Program for Washington residents.

Find Out More

For more information about HIP, or to find an agent who can help you enroll, visit www.hip.hca.wa.gov or call **800-377-0976**

To obtain this document in another format, call our Americans with Disabilities Act (ADA) Coordinator at **360-923-2714**. TTY users (deaf, hard of hearing, or speech impaired), call **360-923-2701**.